

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 103—Sales/Use Tax—Imposition of Tax**

**PROPOSED RULE**

**12 CSR 10-103.381 Items Used or Consumed by Photographers, Photofinishers and Photoengravers, as Defined in Section 144.054, RSMo.**

*PURPOSE: Section 144.054.2, RSMo, exempts from state sales tax and local use tax, but not local sales tax, machinery, equipment, materials and chemicals used or consumed in manufacturing, processing, compounding mining or producing any product or used in research and development related to manufacturing. This rule explains the exemption for photographers, photofinishers and photoengravers.*

(1) In general, purchases of machinery, equipment, materials and chemicals used or consumed in manufacturing, processing, compounding mining or producing any product or used in research and development related to manufacturing are exempt from state sales tax and local use tax, but not local sales tax.

(2) Definition of Terms: See the definition of terms in 12 CSR 10-111.010 Machinery and Equipment Exemptions.

(3) Basic Application of Tax.

(A) Supplies such as film, chemicals and other materials purchased for the photographer's use or consumption are exempt from state sales tax and local use tax, but not local sales tax.

(4) Examples.

(A) A photographer purchases chemicals and other supplies used to develop photographs. These chemicals and supplies are not intended to remain with the photograph. These purchases are exempt from state sales tax and local use tax, but not local sales tax, because they are consumed in the developing process.

*AUTHORITY: section 144.270, RSMo 2000 and CCS HCS SB 30, enacted by the 94<sup>th</sup> General Assembly, 2007. Emergency rule filed Aug. \_\_\_\_, 2007, effective Aug. 28, 2007, expires Feb. 23, 2008. Original rule filed Aug. \_\_\_\_, 2007.*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.*

*PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Missouri Department of Revenue, Legal Services Division, Governmental Affairs Bureau, PO Box 475, Jefferson City, MO 65105-0475. To be considered comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.*